Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Message Text

PAGE 01 STATE 227534

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---------- 106130
R 241715Z SEP 75
FM SECSTATE WASHDC
TO AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY KATHMANDU
AMEMBASSY ISLAMABAD
AMEMBASSY MOSCOW
USLO PEKING
AMCONSUL HONG KONG

C O N F I D E N T I A L STATE 227534

FOLLOWING REPEAT NEW DELHI 12815 ACTION SECSTATE SEP 23.

QUOTE: C O N F I D E N T I A L NEW DELHI 12815

E.O. 11652:IXDS
TAGS: PFOR, IN
SUBJ: INDIA SEPTEMBER 1975 - REGIONAL CONCERNS PARAMOUNT

SUMMARY: INDIA REMAINS AN IMPORTANT REGIONAL POWER, BUT NOT A WORLD POWER. THE GOI'S CONCERN CENTER ON BANGLADESH, PAKISTAN, AND CHINA. INDIA WOULD LIKE TO PLAY A LARGER ROLE, BUT GIVEN ITS PRESENT PREOCCUPATION WITH MRS. GANDHI'S EMERGENCY, THE LIMITATIONS OF ITS MILITARY POWER, AND THE WEAKNESS OF ITS ECONOMY, IT CANNOT. EVEN IN THE COUNCILS OF THE NON-ALIGNED, WE BELIEVE INDIA'S NOW MODERATE VOICE IS A QUIET ONE WITH LIMITED INFLUENCE.

1. INDIA'S PRINCIPAL FOREIGN POLICY PREOCCUPATION AT THE MOMENT IS BANGLADESH. WE EXPECT THAT FOCUS TO LAST UNTIL THE GOI IS SATISFIED THAT THE MUSHTAQUE GOVERNMENT IS STABLE, FAVORABLY DISPOSED TOWARD INDIA, AND FREE FROM INFLUENCES, CONFIDENTIAL

PAGE 02 STATE 227534

PAKISTANI, CHINESE, OR WESTERN, WHICH INDIA MIGHT REGARD AS INIMICAL TO ITS OWN INTEREST. THE GOI FEARS A RENEWED OUT-BREAK OF COMMUNALISM IN BANGLADESH. HORDES OF BANGLADESH'S TEN MILLION HINDUS FLEEING TO WEST BENGAL WOULD BE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

"INTOLERABLE," GOI DIPLOMATS HAVE TOLD US. INDIA WOULD TAKE STEPS, INCLUDING INTERVENTION IF NECESSARY, TO PREVENT SUCH A FLOW. INDIA'S UNCERTAINTY IS COMPOUNDED BY CHINESE RECOGNITION OF DACCA AND APPREHANSION THAT SINO-PAKISTANI COLLLUSION THERE WILL REDUCE INDIAN INFLUENCE.

2. ALTHOUGH THE GOI ASSERTS THAT THE SIMLA PROCESS CONTINUES, WE FIND AT THIS POINT THAT IT IS AT DEAD CENTER. WE SEE DIM PROSPECTS FOR SIGNIFICANT IMPROVEMENT IN THE SHORT RUN. INDIA IS IRRITATED BY PAKISTANI DIPLOMACY, E.G.: THE ACCUSATION BY PAKISTANI DIPLOMATS THAT THE GOI PLANS A MILITARY MOVE AGAINST PAKISTAN TO DIVERT ATTENTION FROM THE INTERNAL EMERGENCY. THE GOI WAS ALARMED AT THE HASTE WITH WHICH PAKISTAN RECOGNIZED WHAT WAS INITIALLY TERMED THE ISLAMIC REPUBLIC OF BANGLADESH. THESE FACTORS CONBINED WITH THE RIVALRY FOR THE SECURITY COUNCIL SEAT,
THE DEADLOCK ON CIVIL
AIR AND THE SALAL DAM, HAVE LED TO A SITUATION WHERE THE NORMAL PROPAGANDA WHICH EMANATES FROM BOTH SIDES HAS NOW WIDENED PERCEPTIBLY.

3. ON THE REMAINDER OF INDIA'S PERIPHERY THE SITUATION IS RELATIVELY
CALM. THE NEPALIS ARE INTERESTED IN THE UPCOMING ACCESS AND TRANSPORTATION TALKS. THEY ARE MAKING THE APPROPRIATE NOISES AND HOPE THAT FORIGN MINISTER CHAVAN'S VISIT LATER THIS FALL PRESAGES A MORE BENEVOLENT INDIAN ATTITUDE TOWARD NEPALI OBJECTIVES. THE BHUTANESE CONTINUE TO PRESS THEIR QUIET DIPLOMACY TO REDUCE THE INDIAN PRESENCE AND ASSUME GREATER CONTROL OF THEIR OWN AFFAIRS. NEITHER SRI LANKA NOR BURMA POSE SIGNIFICANT PROBLEMS FOR THE GOI AT THIS TIME.

4. THE GOI MAINTAINS CORDIAL RELATIONS WITH THE SOVIET UNION. AT PRESENT MRS. GANDHI FINDS SOVIET AND CPI SUPPORT USEFUL, BUT MANY PERCEPTIVE INDIANS REALIZE THERE IS A LIMIT TO THE ASSISTANCE THE SOVIET UNION CAN OR IS WILLING
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TO PROVIDE. SOVIET SUPPORT FOR THE PRIME MINISTER'S POSITION HELPS KEEP THE ATMOSPHERE OF INDO-SOVIET TIES WARM AT LITTLE REAL COST TO THE SOVIETS. THERE ARE REAL PROBLEMS IN TRADE AND CURRENCY EXCHANGE RATES, BUT THE SOVIET ROLE AS A DEPENDABLE ARMS SUPPLIER REDUCES THE NEGATIVE IMPACT OF THE SOVIET ATTEMPT TO PROFIT FROM THE EXCHANGE RATE ISSUE. INDIA HAS SUCCESSFULLY RESISTED SOVIET ATTEMPTS TO OBTAIN NAVAL FACILITIES AND GIVEN ONLY LUKEWARM SUPPORT TO THE SOVIET-SPONSORED ASIAN COLLECTIVE SECURITY CONCEPT. MOSCOW-NEW DELHI TIES MAKE SENSE TO EACH SIDE, HOWEVER, AND SUIT THE INTEREST OF EACH AS LONG AS THEY SHARE A COMMON DISTRUST OF PEKING.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

4. CHINA IS THE BETE NOIRE OF PRESENT INDIAN FOREIGN POLICY. THERE WAS A SLIGHT THAW FOLLOWING SOME MINOR PING-PONG DIPLOMACY IN THE SPRING, BUT SINCE THEN FRIGIDITY HAS RETURNED. THE GOI REGARDS CHINA AS THE CHIEF CONTRIBUTOR TO PAKISTANI INTRANSIGENCE AND FEARS INCREASED CHINESE INFLUENCE IN BANGLADESH. UNITED STATES INITIATIVES TOWARD CHINA ARE VIEWED WITH SUSPICION IN NEW DELHI. SOME WELL PLACED INDIANS, HOWEVER, VIEW A NEW INDIAN APPROACH TOWARD PEKING AS DESIRABLE. TO DATE THEY HAVE NOT CONVINCED THE GOI.

6. INDIAN RELATIONS WITH THE ARAB WORLD AND IRAN ARE DETERMINED BY THREE OBJECTIVES: (1) DENYING PAKISTAN THE UNITED SUPPORT OF THE ARAB COUNTRIES, (2) ASSURING INDIA OF A DEPENDABLE SOURCE OF OIL, AND (3) OBTAINING WHATEVER FINANCIAL LARGESS THE OIL-RICH COUNTRIES MAY BE WILLING TO DISPENSE. IN PRACTICE THIS MEANS INDIA MUST AVOID A COMMPTMENT TO EITHER THE MODERATES OR RADICAL ARAB CAMP, AND MUST AT LEAST APPEAR TO BE ALLIED WITH BOTH. THE GOI IS UNEASY OVER THE GROWING MILITARY POWER OF ITS MIDDLE EAST NEIGHBORS, AND HAS REAL FEARS THAT SOME OF THE EQUIPMENT MAY BE DIVERTED TO PAKISTAN. INDIA ALSO SEES THE SHAH AS A POTENTIAL INDIAN OCEAN RIVAL, BUT IS WORKING FOR GOOD RELATIONS WITH TEHRAN. ALTHOUGH THE INDIANS WILL CONTINUE TO BEMOAN HIGH OIL PRICES, THEY ARE LIKELY TO REMAIN A RUBBER STAMP FOR ARAB AND IRANIAN POLICIES AND STRAY FROM THIS POSITION ONLY WHEN A SPLIT IN ARAB UNITY PERMITS.

CONFIDENTIAL

PAGE 04 STATE 227534

7. THE GOI WOULD LIKE TO SEE A STABLE SOUTHEAST ASIA RESISTANT TO ALL OUTSIDE POWER, PARTICULARLY CHINESE. INDIAN INFLUENCE, HOWEVER, IS LIMITED. THE GOI LOOKS FORWARD TO THE FORTHCOMING VISITS OF THE MALAYSIAN AND THAI PRIME MINISTERS. BOTH VISITS WILL PUT THE STAMP OF APPROVAL ON MRS. GANDHI'S POLICIES, IMPRIMATURS THE INDIANS ARE DELIGHTED TO HAVE THESE DAYS.

8. INDIA'S RELATIONS WITH WESTERN EUROPE ARE LARGELY ECONOMIC. THE GOI IS INTERESTED IN PRESERVING THE FLOW OF ASSISTANCE AND SECURING THE BEST POSSIBLE COMMERCIAL ACCESS TO THE EEC. IT HAS BEEN REASONABLY SUCCESSFUL IN ATTAINING THESE ENDS. WHEN DISAPPOINTED POLITICALLY, AS IN THE CASE OF THE CANCELLED VISIT OF PRINCE CHARLES, THE GOI HAS TAKEN IT WITH
LITTLE COMMENT. THE GOVERNMENT IS AWARE THAT MRS. GANDHI'S EMERGENCY HAS MET WIDE DISAPPROVAL IN THE WEST, AND THAT THERE IS LITTLE THE GOI CAN DO ABOUT IT.

9. INDIA HAS RECENTLY PLAYED A MORE CONSTRUCTIVE ROLE IN THE COUNCILS OF THE NON-ALIGNED. THE GOI WILL NOT, HOWEVER, TAKE ANY STEPS TO JEOPARDIZE ITS ROLE AS A FOUNDING MEMBER

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006

OF THE CLUB, AND WILL BE ANXIOUS TO PRESERVE ITS CREDENTIALS
EVEN WHEN
IT MUST ACT TO SOME EXTENT IN A MANNER CONTRARY
TO ITS OWN INTEREST. WE BELIEVE THERE IS A GROWING PRO-
PENSITY, HOWEVER, FOR GOI POLICY-MAKERS TO ASSERT INDIA'S
REAL INTERESTS IN THE COUNCILS OF THE SEVENTY-SEVEN, WHILE
STICKING TO THE CONSENSUS IN PUBLIC. A LONG-STANDING
COMMITMENT TO SOCIALISM AND ANTI-COLONIALISM COLORS GOI
RELATIONS WITH AFRICA AND LATIN AMERICA. INDIA HAS DISPLAYED
A FEW SIGNS OF LATE
THAT IT IS AWARE OF BOTH CONTINENTS--
ESPECIALLY
IN THE COMMERCIAL AREA-- BUT INDIAN INFLUX ENCE

AND INTEREST IN BOTH AFRICA AND LATIN AMERICA IS LIMITED
AND LIKELY TO REMAIN SO. THE GOI WILL CONTINUE TO BEAT
THE DRUM OF LITTORAL UNITY AMONG THE INDIAN OCEAN STATES,
BUT THIS IS MUCH MORE RHETORIC THAN REALITY, AND SENSIBLE
INDIANS KNOW IT.
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10. WE FIND INDIA IN THIS
PERIODIA COUNTRY WHICH RETAINS
ITS GLOBAL PRETENSIONS, BUT REMAINS A REGIONAL POWER.
ALTHOUGH INDIA STILL REGARDS ITSELF AS A LEADER OF THE THIRD
WORLD, ITS INFLUENCE THERE HAS BEEN ECLIPSED BY THE RADICALS
AND HAMSTRUNG BY THE REQUIREMENT TO HUE TO THE ARAB LINE.
MRS. GANDHI'S INTERNAL EMERGENCY COMPELS POLICY-MAKERS TO
LOOK INCREASINGLY INWARD. FOREIGN POLICY ACTIONS TEND TO
BE THOSE WHICH RELATE DIRECTLY TO THE MAINTENANCE OF THE
PRIME MINISTER'S POSITION. WE BELIEVE THIS FACTOR TO BE
THE ROOT CAUSE OF THE GOI'S MORE ACTIVE FINANCIAL AND
COMMERCIAL INITIATIVES.
SAXBE UNQUOTE ROBINSON

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